

Final Report of the Task Force on Nonprofit, Faith-based, and Other Nonprofit Organizations

September 2002

Legislative Mandate

The Task Force on Nonprofit, Faith-Based, and Other Nonprofit Organizations was created by the passage of Amended Substitute House Bill 175. (See Appendix 1, Task Force Legislation.) The legislation, sponsored by John White of the 42nd House District and Jim Jordan of the 12th Senate District, created a 21 member panel to:

“(1) Recommend the best means to provide state and federal funds to nonprofit, faith-based and other nonprofit organizations so that they may provide public services in a manner that complies with both the United States Constitution and the Ohio Constitution.

(2) Recommend the best means to remove any barriers that may exist to nonprofit, faith-based and other nonprofit organizations cooperating with public agencies in assisting those who receive public services.”

The Need for HB 175

The legislation creating the Task Force on Nonprofit, Faith-Based and Other Nonprofit Organizations emerged from the convictions of its sponsors to improve the impact and effectiveness of social services for Ohioans in need. The following statement summarizes these convictions, which form the rationale for the creation of the Task Force.

We clearly understand the vital role of publicly funded services to meet the needs of Ohio’s children, individuals, families and communities in distress. As the demand for these services continues to grow and public dollars remain stretched, we also understand the importance of continuing to drive for new ways to enhance social service program efficiency and results.

Welfare reform initiatives have provided an important avenue for improving social services by empowering decision-making at the local levels to create services better tailored to individual needs. In addition, with the advent of the Federal Charitable Choice legislation of 1996, an increasing number of public agencies—particularly within Ohio—have successfully partnered with community groups, faith-based and nonprofit organizations to deliver targeted services with significant results.

These collaborations have enabled public programs to gain additional services, resources and volunteers, as well as other less-tangible strengths of these trusted organizations. Motivated by personal concern, these organizations are often already working alongside those in need to care, serve and transform lives. Their credibility, relationships, knowledge and understanding of individual needs have proven key to bridging some of the gaps that may not be filled by government agencies working alone.

Much of social service is appropriately designed to assure food, clothing and shelter. However, the motivation for personal change necessary to break the chains of dependency, delinquency or addiction comes from within an individual's spirit. An elderly person may need a meal, but just as important is the personal relationship that comes with that meal. The youth of this country need mentors and role models willing to spend something more precious than public money—their time.

Almost one-third of engaged organizations felt that the public agency they collaborated with did not understand that caring for spiritual needs is as important as caring for physical needs; three-quarters of not engaged organizations share that view. – ILLGARD Report

Clearly, there are opportunities to spark further collaboration with nonprofit and faith-based organizations to help meet the full range of human service needs—and move more people from despair and dependence to hope, wholeness and self-sufficiency.

Public Services traditionally have taken an “Outside In” approach to personal change. An investment in changing an individual's circumstances without a concurrent focus on internal change is an incomplete strategy. We must recognize the effectiveness of “Inside Out” approaches and make resources available to organizations with individuals, methods, interventions and programs capable of touching the human spirit and mind to spark personal growth and change.

Nonprofit and faith-based organizations are critical to the delivery of social services because they operate where people live and they are empowered to connect with the holistic dimensions of a person's life. Currently, there is too little documented information on public partnerships with faith-based and nonprofit organizations. The utilization of nonprofit and faith-based organizations must be systematically documented and examined at the state agency level and the local level. It should be examined regularly by the Legislature, the Governor, State Agencies and County Commissioners.

We understand that increased involvement of the nonprofit and faith-based organizations is not a substitute for necessary public funding of services to needy individuals, families and communities. We simply believe that public expenditures without the increased involvement of these groups limits the effectiveness of government investments. The cost effectiveness of public expenditures can be improved when government is focused on results and public-private partnerships are used to leverage the talent, commitment and resources of nonprofit and faith-based organizations.

Opportunities

Ohio has a rich tradition of working closely with the nonprofit and faith-based community in serving the needs of Ohio citizens. In state fiscal year 2001, five state agencies the Ohio Departments of Aging, Alcohol and Drug Addition Services, Youth Services, Development, Health, and Job and Family Services operating through local service providers purchased over \$843 million dollars of public services from nonprofit and faith-based organizations. (See Appendix 5, State Agency Reports.) Ohio has a history of local government leadership in solving critical social problems at the community level. Ohio's social service delivery system is a decentralized model with locally administered public programs. According to the latest census, the last ten years saw demographic changes that increased Ohio's racial, ethnic, and religious diversity. To improve services to these emerging populations, it is necessary to work with community-based organizations created by these new groups.

A review of the legislation governing procurement indicates some fears of the legal impediments among some government officials to working with the faith-based community appear to be unfounded. As long as applicable federal and state law is followed government may contract with faith-based organizations. Consequently, the Task Force has determined that there are no significant legal barriers to contracting with faith-based and nonprofit organizations. In fact nonprofit and religious organizations must be treated on the same basis as any other private organization:

“...religious organizations are eligible, on the same basis as any other private organization, as contractors to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, under any program described in subsection (a)(2) so long as the programs are implemented consistent with the Establishment Clause of the United States Constitution.”

(See Appendix 6. Legal Brief, page 2.)

Federal Officials have created a more supportive environment to creating public private partnerships between governmental entities and community based organizations. (See Appendix 7. National Issues and Resources.) At the Task Force request, the Governor asked that the Ohio Department of Job and Family Services apply for Compassion Funds to support the operation of technical assistance to community based, nonprofit and faith based organizations. The proposal was submitted on July 19, 2002 and federal review is pending. (See Appendix 8. Application For Compassion Funds).

Challenges

The Task Force has systematically documented the need for increased technical assistance and support to involve more community based nonprofit and faith based organizations in the delivery of needed human services. The role of community-based organizations is crucial because we know that people in a caring relationship help others to change lives and promote opportunity. Some community based nonprofit and faith-based organizations in Ohio already have the human resources and the commitment necessary to be effective in this role.

- Many faith based and nonprofit organizations lack access to information about the availability of funding, the process to obtain information about federal, state and local funding, and evaluation criteria for funding.
- Ohio is a state supervised, county administered system. Consequently, most funding decisions are made at the local or regional level. There is a need to facilitate better communication to community-based organizations at the local level. It requires that operational capacity building occur at the local, regional and state level.
- Many faith-based and nonprofit organizations lack the fiscal and administrative skills to effectively partner with public agencies.
- Many public agencies are not aware of the resources that faith-based and nonprofit organizations can bring to improve the effectiveness of local service delivery. In addition to their commitment to service, community-based organizations have many volunteer resources to contribute to the service delivery system. There is a need to identify and showcase effective partnerships and local “best practices”.
- The reductions in state and federal revenues have created increased competition among faith based and nonprofit organizations. Ohio needs to develop strategies to identify and maximize public and private resources to finance services for low income and vulnerable populations.
- There is a need to streamline public/private partnership accounting, auditing, and reporting for funding and move to an "outcome-based" approach, focusing on results.
- There is a need for funding of start-up costs, technical assistance, and the funding of ongoing services on a multi-year basis.

- There is a need for additional coordination and leadership regarding faith-based and nonprofit initiatives.
- There is a need to better understand the role a faith-based approach can play in publicly funded services.
- There is a need to address fear and distrust of intent between faith-based organizations and public agencies.
- There is a need to inform public officials and agency personnel about “Charitable Choice” and the opportunities it provides for partnerships or collaboration with faith-based organizations.

Recommendations

To more fully engage faith-based and nonprofit organizations in partnership with public agencies to provide public services to needy Ohioans, the Task Force identified three primary challenges:

- A. Improving the ability of faith-based and nonprofit organizations to **access** public agencies for information and funding;
- B. **Building better partnerships** at the state and local level between faith-based, nonprofit and public agencies to serve persons in need of public services; and
- C. **Simplifying the processes** and procedures to access public funding while **improving the results** of public investments.

A. Improving Access

Access to accurate and timely information limits the ability of the nonprofit and faith-based organizations to contract with public agencies. Despite good information some faith-based and nonprofit will decide not to seek public funding. These organizations retain the right to determine their interests and willingness to enter into contracts with public agencies. However, the State of Ohio should make every attempt to assure that these organizations are fully informed of the opportunities. They should be able to make their decisions based upon timely, factual information, and technical assistance. The State of Ohio should make every attempt to simplify and coordinate the procurement and reporting process.

Despite the fact that Ohio is a national leader in contracting with public and private organizations to provide public services, too many faith-based and nonprofit organizations still lack access to critical information. The Task Force identified the following information gaps:

- a. What are the legal restrictions and opportunities to contracting with public agencies?
- b. What is the availability of state and federal funding?
- c. What is the process to apply for funding?

d. What are the priorities and evaluation criteria used by public agencies in awarding funding?

Many small community-based organizations may lack the capacity to successfully navigate the complex fiscal and other administrative requirements of public funding entities. Ohio needs to simplify and coordinate public announcement and procurement procedures. Faith-based and nonprofit organizations have difficulty accessing information about service procurement from hundreds of local agencies that routinely purchase services. These public agencies use different means to publicize their funding processes, and there is no simple way for organizations to learn of all these possibilities. Further complicating access is that the local and state public agencies have their own distinct sets of rules, processes and procedures to apply for and receive public monies. There is little commonality in the various agencies' requirements and presently no coordinated effort to streamline and simplify the process. Merely providing more information will not solve the problem of improving access.

Streamline the application process; clearly identify the gatekeepers.
– Focus Group Participant

Providing more information to faith-based and nonprofit organizations, improving coordination among public entities, and simplifying public procurement requires leadership. A person in leadership must oversee the simplification of practices and the coordination of the distribution of information about federal, state and local funding. The Task Force recognizes that local communities must give direction to public agencies to improve coordination of procurement, simplify the process and provide better information about funding. The local leadership will not solve the problem alone.

The Task Force strongly recommends the creation of a “single point of contact” at the State of Ohio. In addition to the local and state agency lead persons; the Ohio’s “single point of contact” should serve as a clearinghouse of information on all state and local funding initiatives for easy access by all interested faith-based and nonprofit organizations. The “single point of contact” should be supported by a well publicized web site to further enhance information sharing. Ohio’s “single point of contact” should manage the statewide effort to achieve simplification of public agency funding application, budgeting and reporting requirements.

The functions of the State “single point of contact” for faith-based and nonprofit organizations should include the following:

- a. communicate the availability of funding;
- b. assure the provision of technical assistance in the application and reporting processes;
- c. advocate ways to simplify the procurement and audit process;
- d. seek resources for operations and startup funding;
- e. advocate for multi-year funding to allow adequate time for services to be developed and achieve their desired results.

Recommendations for Improving Access

1. Single Point of Contact

The Task Force recommends the establishment of The Governor's Office for Nonprofit, Faith-based and Nonprofit Organizations, headed by an Executive Assistant to the Governor. In addition to the leadership provided by an Executive Assistant, the following two groups should be appointed to assist the Office: 1) a state agency Implementation Committee and Advisory Group, and 2) a Faith-Based and Nonprofit Advisory Group. Legislation should empower the Office to coordinate and implement the recommendations of the Task Force on Nonprofit, Faith-based and Other Nonprofit Organizations. The Office shall report annually to the Governor and Legislature on the progress of implementation of the recommendations of the Task Force.

Have a person at the state level help us get the funding. Especially, help us with the issues related to the application process. – Focus Group Participant

The Governor's Office for Nonprofit, Faith-Based and Other Nonprofit Organizations will:

- a. serve as a liaison with state agencies;
- b. serve as a clearinghouse for funding for faith-based and nonprofit organizations as the "single point of contact";
- c. secure, provide and coordinate technical assistance on funding, grant writing, application procedures, reporting requirements, financial information, and the accountability requirements necessary to successfully apply for local, state and federal funding to faith-based and nonprofit organizations;
- d. recruit and encourage faith-based and non-profit organizations to access public funding;
- e. provide oversight and accountability to funded faith-based and non-profit organizations;
- f. coordinate efforts with the Ohio Community Service Council in seeking federal funding for volunteer programs and pilot projects;
- g. manage a statewide effort to achieve simplification in the funding processes and procedures; and
- h. advise the Governor and Legislature on barriers to public/private collaborations with faith-based and non-profit organizations.

The Office for Nonprofit, Faith-based and Other Nonprofit Organizations structure will include the following:

- a. The Office for Nonprofit Faith-based and Other Nonprofit Organizations

should be lead by an **Executive Assistant** to the Governor who would coordinate the activities of the State agencies. An **Implementation Committee** comprised of representatives from each state department will assist the Executive Assistant. This high-level staff group would jointly plan and coordinate the activities of the Office and the separate state departments.

b. The Executive Assistant and Implementation Committee would receive and act upon advice from a Governor and Legislature appointed **Faith-Based and Nonprofit Advisory Group**. The membership of Advisory Group shall include State legislators and representatives of faith-based and nonprofit organizations throughout Ohio.

2. The Office of Nonprofit, Faith-based and Nonprofit Organizations should be responsible for pursuing the following strategies:

a. Facilitate coordination and capacity building.

Pursue financial resources for pilots to fund coordination, education and capacity building at the local level. At the request of the task force Chair John White, the Ohio Department of Job and Family Services, utilizing existing funding for faith-based initiatives submitted an application for federal “Compassion funds” for capacity building. If approved, it will implement many of the recommendations of the Task Force by developing competitively funded Regional Capacity Building Networks. The Networks will operate three-year technical assistance pilots in rural and urban settings for faith-based and nonprofit organization to foster collaborations with public agencies.

b. Funding for start-up costs.

Some approaches could include:

- 1) Enact legislation that allows use of State Bond funding for faith-based and nonprofit capital costs when provide public social services. Legislation should include the criteria and application process for faith-based and nonprofits applying for capital funds.
- 2) Provide working capital loan fund with 0% interest to faith-based and non-profit organizations for start-up costs.

c. Enabling multi-year contracts

Some approaches could include:

- 1) Pursue changes in federal regulations to allow for multi-year funding. Pursue legislation to allow multiple year funding of services for faith-based and nonprofit organizations.
- 2) Pursue changes in state administrative policy.
- 3) Pursue state legislation changes in procurement law to allow multi-year contracts and funding similar to “lease agreements.”

d. Provision of technical assistance

Pursue a legislative budget initiative that funds technical assistance for faith-based and nonprofit organizations at the state agency and local level. Some approaches could include:

- 1) Make available resources for technical assistance.
- 2) Set aside a percentage of each State agencies budget for the provision of technical assistance to faith-based and nonprofit organizations.
- 3) Encourage each county or local administrative entity to provide technical assistance to faith-based and nonprofit organizations.

e. Provision of operating assistance

Pursue foundations, corporations, local, state and federal sources of funding for operational costs of public/private partnerships.

B. Recommendations for Building Better Partnerships

The primary goal of the Task Force is to increase the effectiveness of public services to needy Ohioans. To increase effectiveness, it is necessary to increase public private partnerships with faith-based and nonprofit community organizations that enhance and expand service delivery, improve access, and assure advocacy for needy families and individuals.

Provide ongoing networking with faith-based organizations and nonprofit partners to foster good communication with public agencies and partnering among faith-based organizations and nonprofits. We paired weaker agencies with stronger agencies to strengthen the weaker agencies. - Focus Group Participant

Many Ohioans seeking public services have multiple needs that require comprehensive innovative, holistic, supportive and frequently “one-on-one” individual attention. Public agencies, due to complex rules and regulations and the large number of clients they must serve, may not address all of an individual's problems. In order for public agencies to be successful in providing services that result in improvements for the customers they serve, they must turn to the resources of outside organizations, both public and private. Public agencies must support and build collaborations that can bring to the customer the full spectrum of services necessary to address the complex needs of individuals and families who request service. Many faith-based and nonprofit organizations possess the experience, knowledge, skill and commitment to help persons in need, and have been doing so long before addressing these problems became the mandate of public agencies. These organizations should be brought into partnerships with public agencies through collaborative ventures that combine the resources and expertise of the public and private agencies. These efforts should focus on the multifaceted elements of the human condition needed to promote life-changing experiences, and help all Ohioans to realize their full potential.

Despite Ohio’s rich history of supporting partnerships between faith-based and nonprofit organizations and public agencies, more needs to be done. There remains many unmet needs and opportunities for transforming lives. We encourage maintaining the many ongoing effective

public and private partnerships while promoting new partnerships among the large number of faith-based and nonprofit organizations who have not previously been engaged in collaborations with public agencies.

Expanding and strengthening collaboration requires not only addressing the access issues as identified in the first challenge area, but requires efforts to address the challenges of partnership building including:

- a. maximizing funding to support collaboration;
- b. expanding the capacity of faith-based, nonprofit and public organizations at the local, regional and state level to strengthen current partnerships and enter into new partnerships;
- c. clarification of the distinction between faith-based and nonprofit organizations and the role of spirituality in publicly funded services; and
- d. the reducing the “fear and distrust” that may exist between public agencies and faith-based and nonprofit organizations.

Much work needs to be done to build the capacity of organizations at the state and local levels to enter into partnerships with public agencies. As mentioned earlier in this report, many small organizations lack the fiscal and administrative capacity to enter into agreements with public agencies. The lack of the technical information and administrative capacity for handling public funding is a significant barrier to expanding opportunities for faith-based and nonprofit organizations to secure funding. Public agencies should be held accountable for the provision of technical assistance to these organizations, through the direct provision of assistance or the funding of organizations to provide the technical assistance. The capacity of faith-based and nonprofit organizations to enter into partnerships with public agencies could also be enhanced by encouraging them to join with other faith-based and nonprofit organizations who possess the administrative capabilities for fiscal administration, and other reporting requirements. These joint-ventures could expand the potential for small organizations to qualify for funding without requiring them to hire or purchase large administrative staffs.

Partnership building requires the development of mutual respect between faith-based and nonprofit organizations and their potential public agency partners. Although numerous effective partnerships exist throughout Ohio, there are still pockets of “fear and distrust” between public agencies and faith-based and nonprofit organizations. The Task Force recognizes the need of some public agencies to better understand the role of faith-based and nonprofit organizations in the delivery of publicly funded services.

Similarly, many faith-based and nonprofit organizations may have inaccurate information concerning public agencies goals, biases and legal restrictions and requirements for the receipt of public funding. There is a need to understand the distinction between faith-based and nonprofit organizations. These issues must be addressed through State leadership of a thoughtful approach to improved communications if the potential of building better partnerships between faith-based, nonprofit and public organizations is to be successful. Better partnerships between faith-based, nonprofit and public agencies at the local level could be aided by assuring that the voice of faith-

based and nonprofit organizations is heard by representation from those groups on local advisory boards and local councils to support the development, operation and support of public/private collaborations.

There is a need to reach out to ethnically, racially, and religiously diverse communities. According to the latest census, in the last ten years, demographic changes have increased Ohio's racial, ethnic, and religious diversity. In order to improve services to these emerging populations, it is necessary to work with community based organizations created by these new groups so that services can be delivered in both a culturally sensitive manner, and in accordance with state and federal law.

Recommendations for Building Better Partnerships

1. Support collaboration

Provide demonstration grants, funding incentives and funding of pilot projects for collaborative efforts. If funded the ODJFS Compassion Fund application would provide resources for regionally based collaborative networks. If this application is not successful, an effort to seek funding for regionally based collaborative networks should be undertaken. The Governor's Office for Nonprofit, Faith-Based and Other Nonprofit Organizations should be responsible for researching grants and exploring local, state and federal sources of funding for regional collaborations.

2. Provide incentives for joint venture collaboration

Enact legislation that encourages the use of federal, state and local public funds for joint venture proposals from collaborations of faith-based, and nonprofit organizations to provide public services. Without these collaborations, many small organizations could not participate in providing public services because they lack the financial and administrative capacity.

3. Seek alternative sources of funding to support collaboration and partnership building

The Governor's Office for Nonprofit, Faith-Based and Other Nonprofit Organizations should promote a diversified funding stream for faith-based and nonprofit organizations. The office should explore diverse non-state resource opportunities such as corporate grants, federal funds, foundations, other philanthropic sources, and local public funds. The Governor's Office should make the nonprofit and faith-based organizations aware of these resources. The Governor's Office should provide technical assistance in applying for these funds.

4. Link with volunteer efforts

The Governor's Office for Nonprofit, Faith-Based and Other Nonprofit Organizations should serve as a mechanism to connect faith-based and nonprofit organizations to federal volunteer initiatives and funding. The Office should work closely with the Ohio Community Services Council to access information federal volunteer initiatives and assist in the sharing of that information with state and local faith-based and nonprofit organizations.

5. Address the “fear and distrust” between public agencies and faith-based, nonprofit organizations

Implement an aggressive campaign by the Governor's Office for Nonprofit, Faith-based and Other Nonprofit Organizations to educate faith-based organizations and public agencies on “charitable choice” and other relevant law. Provide forums for the sharing of information by faith-based programs that demonstrate successful interventions without proselytizing. The Office should gather information on quality models that are cost effective and help transform lives. This information should be widely shared with the faith-based, nonprofit and public agency communities.

Public agencies and faith-based organizations both have to listen. This builds trust and relationships. – Focus Group Participant

6. Seek Charitable Choice Legislation

A. Enact state legislation requiring “charitable choice” concepts and require state agencies to:

1. Make all necessary changes to actively engage in collaborative efforts (in the form of contracts, grants, vouchers, or other forms of disbursements, or volunteer programs) with faith-based organizations for the provision of social services on the same basis as other non-governmental providers, using neutral criteria that neither favors or disfavors religion, to the fullest extent permitted under law;
2. Take all necessary steps to implement “Charitable Choice” provisions of the federal Personal Responsibility and Work Opportunity Reconciliation Act, the Welfare-to-Work Grant Program, The Community Service Block Grant Program, and the Community Renewal Tax relief Act, and any future legislation adopting a Charitable Choice provision.

Understand “Charitable Choice” by educating both public agencies Faith-Based Organization’s about what you can to practice religion and still provide public service. – Focus Group Participant

3. Take affirmative steps prescribed by the Charitable Choice provision of the Personal Responsibility and Work Opportunity Reconciliation Act to protect the religious integrity and the functional autonomy of participating faith-based social service providers and the religious freedom of their beneficiaries. (Many of these recommendations are consistent with ideas presented in Appendix 10. State of

Oklahoma Executive Order.)

B. Encourage the Ohio delegation to Congress to promote the passage of improved and expanded Charitable Choice legislation

7. Create local councils to encourage collaborations

Enact state legislation to create councils of faith-based and nonprofit service providers that will:

- a. identify new provider organizations and provide workshops and training to these new applicants;
- b. gather information on the elements of successful models; and
- c. provide a forum to share information on these elements of successful models.

The Governor's Office should have the responsibility for the coordination of efforts to establish the councils.

8. Require Representation of faith-based and other nonprofit organizations on existing local advisory groups

Enact state legislation that would require existing Advisory Boards to County Commissioners and other local and regional Boards to include representation from faith-based and nonprofit organizations. These local advisory groups should also specifically seek input from faith-based and nonprofit organizations that are not currently receiving public funding.

9. Monitor the progress in state and local partnerships

Enact state legislation requiring County Commissioners and other Local and Regional County Boards, as well as state agencies to report annually to the Governor's Office on their funding of collaborations with faith-based and nonprofit organizations.

C. Simplifying the Processes and Improving the Results

Nonprofit and faith-based organizations are able to provide services in a cost effective manner when the focus is on improving well-being and helping to enhance the quality of life of their customers. To fairly measure the success of these and other publicly funded organizations, there is a need to dramatically simplify and streamline public agencies accountability systems. Currently, there is far too much complexity in the processes and procedures for record keeping and reporting to public agencies. Much of the public reporting is focused on activities performed and not the results obtained by service providers. There is little consistency across public agencies' reporting and accountability systems. Budgetary and reporting formats differ not only across agencies, but even within agencies for different funding sources. The current reporting requirements are very costly to administer for public agencies and the faith-based and nonprofit organizations they fund. Smaller faith-based and nonprofit organizations are particularly disadvantaged in applying for public funding with confusing and administratively expensive reporting and program accountability rules and regulations.

The current application, budgetary, and program reporting requirements of public agencies drain private resources that should be directed at providing services that help positively transform lives.. At the same time these requirements provide little evaluative information on the quality or effectiveness of these services. Public agency accountability systems must move to an "outcome- based" approach to evaluate investments in human services in terms of "results" rather than activities. The State of Ohio should direct its departments and local public agencies to jointly develop a common system of accountability tools based upon outcomes achieved by customers who receive publicly funded services. Applications for funding, budgeting formats, and other reporting documents should be standardized across state and local agencies where possible.

Consideration should be given to size of the public investment in contracts and service agreements with faith-based and nonprofit organizations when determining the level of effort for application, reporting, and audit requirements. The complexity and expenses of required reporting should be brought in line with the level of funding provided. Currently local and state public agencies each require audits to be performed of faith-based and nonprofit organizations that they provide funding to. If an organization receives funding from more than one public agency source they may have the expense and administrative burden of undergoing multiple audits. The system of public agencies should jointly agree to accept a single annual agency audit of their publicly funded service providers.

Recommendations for Simplification and Accountability

1. Enhance public agencies accountability system

Enact state legislation that would require the Governor's Office for Nonprofit, Faith-Based and Other Nonprofit Organizations to synthesize and publish state agencies

priorities. The legislation should require state agencies to develop outcome-based evaluation practices and redirect state funds to the priorities. The Governor's Office for Nonprofit, Faith-Based and Other Nonprofit Organizations should develop and coordinate with the State agencies "outcome-based" evaluations of public services provided by faith-based and nonprofit organizations.

2. Simplify the fiscal accountability systems

A. Enact state legislation that would simplify, streamline and improve fiscal reporting through:

1. standardizing reporting format;
2. adopting one set of audit requirements;
3. implementing on-line reporting capacity;
4. enhancing the technology capabilities of the local agencies and the local faith-based and nonprofit organizations for fiscal reporting; and
5. working to reduce federal reporting requirements.

Require a review of fiscal and audit reporting requirements as well as recommend and implement improvement. Pursue enhancements of the fiscal technology capacity of public agencies as well as faith-based and nonprofit organizations.

B. Encourage the Ohio delegation to Congress to promote the simplification and coordination of federal auditing requirements for recipient organizations of federal funds. (These recommendations are supported by the recommendations by the Welfare Information Network's "Implementing Charitable Choice at the State and Local Levels" found in Appendix 11. Implementing Charitable Choice.)

3. Simplify program accountability systems

Enact state legislation that would simplify, streamline and improve program reporting through:

- a. standardizing program reporting format on objective "outcome-based" measurement of results;
- b. implementing on-line "outcome-based" reporting; and
- c. enhancing the technology capabilities of the local public agencies and the faith-based and nonprofit organizations that provide services.

Develop reporting systems that cut across all public funding streams and streamline the application process. – Focus Group Participant

Require a review of program reporting requirements as well as recommend and implement improvements. Pursue enhancements of the program reporting technology capacity of public agencies as well as faith-based and nonprofit organizations.

4. Assess State and local agency efforts to work faith-based and nonprofit agencies

Enact state legislation to assess the number and amounts of contracts as well as cost effectiveness of investments with faith-based and nonprofit organizations in Ohio. The Governor's Office should require annual reports from local and state public agencies that include sufficient programmatic and fiscal information to determine the number and amounts of contracts and cost-effectiveness of public investments with faith-based and nonprofit organizations.

5. Implement a "single audit" concept

Enact state legislation that creates a single audit of faith-based and nonprofit organizations that are in receipt of public funds from multiple state and local agencies. In the current system multiple audits from different public funding sources are costly and redundant.

Reporting requirements are designed for larger organizations that have the administrative staff to do all the paper work. – Focus Group Participant

Organization of The Task Force

According to H.B. 175, the Governor, President of the Senate, and Speaker of the house would appoint three non-governmental representatives to the Task Force. In addition, the Ohio Departments of Aging, Mental Health, Alcohol and Drug Addiction Services, Development, Health, and Job and Family Services were required to appoint a representative to the Task Force. The Task Force held its organizational meeting on December 17, 2001 and by unanimous consent Representative John White was asked to Chair the Task Force. Senator Jim Jordan was asked to serve as the Vice Chair. By unanimous consent the three non-voting members were asked to participate in the deliberations of the Task Force. On the following page the individuals appointed to the Task Force are listed.

In addition to the official membership, the Task Force has benefited from the input of key advisors including Leonard Hubert of the Governors Office, Chip Weiant of American Center for Civic Character, Steve Rice, Task Force Consultant, Barbara Boyd of the Ohio Department of Job and Family Services, and Joel Potts of the Ohio Department of Job and Family Services

The committee agreed to work together to resolve issues by consensus. (See Appendix 2. Meeting Schedule and Minutes for meeting dates and complete minutes.)

Exploration Strategies

The strength of the Task Force was its format for open discussion and critical analysis.

The Task Force deliberations benefited from the rich diversity of experience and background among members of the Task Force. In order to inform these deliberations, the Task Force sought information about the issues employing the following methods:

1. Legal Briefing: On January 31, 2002, Bob Mullinax from the Ohio Department of Job and Family Services provided an analysis of the latest national legal deliberations regarding the public procurement of services from faith-based and nonprofit organizations. He also provided the Department's Legal Brief on the subject. (See Appendix 6. Legal Brief.)
2. Washington Briefing: On February 22, 2002, C. J. Jordan of the Pruitt Group facilitated a teleconference discussion between the Task Force and Stanely Carlson-Theis, Director of the White House Centers for Faith-Based and Community Initiatives. In this discussion, Mr. Carlson-Theis described the administration's legislative agenda and the upcoming compassion initiatives. The Task Force also talked with Rev. Marc Scott about the various volunteer initiatives of the Bush administration through the Corporation of National Service. The Task Force also discussed faith based legislative initiatives pending in Congress with staff from Rep. Watts' and Sen. Santorum's offices.
3. Focus Groups: Steve Rice and Joel Rabb facilitated three focus groups (two February 26, 2002 and one on February 27, 2002) with the process and several Task Force members observed the process. One group consisted of faith-based and nonprofit organizations that are contracted by public agencies to provide public services. One group consisted of faith-based and nonprofits that are not contracting with public agencies. One group consisted of local public agencies that manage local contracts with faith-based and nonprofit agencies. The findings provide useful data for discussion and for further study in the statewide survey. (See Appendix 3. Focus Group Notes for a full review of methodology and findings from the focus groups)
4. Survey: At the request of the Task Force, the Institute for Local Government and Rural Development (ILGARD) of Ohio University conducted surveys to identify issues and determine barriers to providing publicly funded supportive services through faith-based and other nonprofit organizations. ILGARD conducted two surveys, one of private organizations and another of public agencies. Three hundred twenty (320) telephone surveys were completed with private organizations and one hundred fifty-six (156) were completed with public agencies. This survey was instrumental in understanding areas of agreement and disagreement on issues affecting the public funding of faith-based and nonprofit service providers among private and public organizations. The survey identified the perspectives of both the private organizations contracting with public agencies and private agencies not contracting with public agencies. (See Appendix 4. Survey Results, for a full discussion of methodology, and results of the Survey.)
5. Agency Reports: Each public agency participating in the Task Force was asked to prepare a report that identified the current amount of funding used to procure services

from private organizations. Each agency was asked to describe its procurement process. In state fiscal year 2001, five state agencies purchased over \$843 million dollars of public services from nonprofit and faith-based organizations. (See Appendix 5. Agency Reports on Expenditures to review the reports.)

6. Retreat: On June 17, 2002 the Task Force held an all day retreat. The session was used as a mechanism to distill from the resources reported in this sections the critical issues, recommendations and the action steps need to act on the legislative charge. The issues, recommendations, and actions steps reported in this final report are a result of that synthesis.

Membership of The Task Force on Nonprofit, Faith-based, and Other Nonprofit Organizations

Member Name	Organization	Appointment Source
Roland Hornbostel	Department of Aging	Director of Aging
Sommers L. Martin	Department of Mental Health	Director of Mental Health
Amy Kuhn	Department of Development	Director of Development
Bernard Schlueter	Department of Health	Director of Health
Joel Rabb	Department of Job and Family Services	Director of Job and Family Services
Christine Money	Marion Correctional Institution	Department of Rehabilitation and Correction
Renee Sneddon	Department of Youth Services	Director of Youth Services
Bob Field	Department of Alcohol and Drug Addiction Services	Director of Alcohol and Drug Addiction Services
David C. Phillips	Cincinnati Works, Inc.	Senate President
John H. Gregory	TEACH	Senate President
Bruce D. Phipps	Goodwill Industries of Wayne and Holmes Counties	Senate President
Joyce Garver Keller	Ohio Jewish Communities	Speaker of the House
Bob Garbo	Tri-County Community Action Agency	Speaker of the House
Rev. Wilburt Shanklin	Family 2 Family	Speaker of the House
Dr. Marva Mitchell	Project-Impact Dayton	Governor
Meg Andersen	Diocese of Youngstown Catholic Charities	Governor
Rev. George Hrbek	Calvary Lutheran	Governor
Rep. John White	State Representative	Speaker of the House
Rep. Claudett Woodard	State Representative	Speaker of the House
Sen. Jim Jordan	State Senator	President of the Senate
Sen. Tim Ryan	State Senator	President of the Senate
Tom Smith	Ohio Council of Churches	Non-voting Task Force Addition
Lisa Hamler-Podolski	Ohio Association of Second Harvest Foodbanks	Non-voting Task Force Addition
Jim Tobin	Catholic Conference of Ohio	Non-voting Task Force Addition

Appendices

1. Task Force Legislation
2. Meeting Schedule and Minutes

The Task Force met on the following dates to act on its mandate:

December 17, 2001	June 17, 2002
January 31, 2002	July 11, 2002
February 21, 2002	July 25, 2002
March 28, 2002	August 21, 2002
April 25, 2002	
May 16, 2002	

3. Focus Group Notes
4. Survey Results
5. State Agency Reports on Expenditures
6. Legal Brief
7. National Issues and Resources
8. Application For Compassion Funds
9. American Center For Civic Character Recommendations
10. State of Oklahoma Executive Order
11. Implementing Charitable Choice